GEO
Guyana Economic Opportunities

IPED Institutional Assessment
Executive Summary

Prepared by:
Chrys Miliaras

Submitted by:
Chemonics International Inc.

Under:
United States Agency for International Development
Contract No. 504-C-00-99-00009-00

July 2000

Technical Report No. 13a

IPED Institutional Assessment
Executive Summary

I. Introduction

The following report is a summary of an institutional assessment of IPED's Micro Window conducted during March – April 2000. Its purpose was to identify areas of strengths and weakness in order to develop a training and technical assistance plan that would help bring IPED's methodology and operations in line with the Best Practices of the leading Microfinance Institutions (MFIs) around the world. It should be noted that, in line with the mandate of the assignment, the bulk of the analysis and recommendations pertain to IPED's Micro Window[1]. However, in some cases, both the Micro and Main windows were analyzed, as sometimes it was very difficult to distinguish between the two. This was particularly true with regard to parts of the financial analysis and Management Information System (MIS) assessment. The author has tried to be clear throughout the report with regard to which window is being discussed.

It should be noted that this summary emphasizes IPED's weaknesses as opposed to highlighting its strengths. That is not to say that IPED has not come a long way in the past two years since it overcame a delinquency crisis that threatened the very existence of the institution. The author of this report has a great deal of respect and admiration for IPED's Board, General Manager and staff who have worked extremely hard to turn a very difficult situation around. As a result of their efforts, IPED now stands on much more solid ground. Nevertheless, the time has come to examine IPED more critically in order to find ways that it can further improve its performance and, in so doing, place itself on a path toward full financial self-sufficiency and long-term viability. Ultimately, this is the only way that IPED will be able to sustain, and hopefully increase, its impact on the Guyanese microbusiness sector beyond the significant contributions that it has already made.

II. Key Findings

The institutional assessment was comprised of two parts: a financial analysis and an operational review.

Financial Analysis

The financial analysis involved a detailed review of IPED's financial statements from 1997 through 1999, adjusting them to take into consideration proper provisioning for loan losses, subsidies, and inflation. The major findings of this analysis determined that, while IPED has steadily reduced its portfolio at risk for its Micro Window from 32.8% in

[1] While there is no official minimum for Micro Window loans, they usually start at G$30,000 (approximately US$55) and go up to G$150,000 (approximately US$835). Main Window loans range from approximately G$50,000 to G$2,000,000 (US$280 – US$11,000). The primary distinction between who qualifies for which window relates to collateral.

1997 to 16.1% in 1999, it still needs to bring this figure to below 10%.[2] Related to this, IPED has not been provisioning as much as they should have been according to CGAP standards for their loan loss reserve. As such, they have been significantly understating this expense. Finally, while IPED is making strong strides to full financial self-sufficiency, it still has a ways to go with regard to generating revenues sufficient to cover full costs [financial costs (adjusted for subsidies and inflation), operating expenses, and proper provisioning for loan losses].

Operational Review

The operational review examined four key areas of IPED's Micro Window operations – Credit Methodology, MIS, Financial Management, and Administration – with an eye toward how they could be strengthened based on the Best Practices of MFIs around the world.

Credit Methodology

IPED's credit methodology review focused on a number of areas including credit terms, loan pricing, loan approval process, delinquency management, and rescheduling and refinancing policies.

Loan Terms

With regard to how IPED structures its loans, it appears that it is setting its credit terms too long. Most loans are four to six months long, which appears to be inappropriate given the fact that most of IPED's Micro Window clients are vendors who typically have very high rates of inventory turnover. This would imply shorter loan terms of one to three months, depending upon the cash flow of their business. The likelihood that IPED is setting loan terms too long is further evidenced by the fact that most of its clients prepay their loans by one or two months.[3] The reason for this appears to be that credit officers are not analyzing client cash flow in order to properly match the loan term to the client's business cycle. The belief amongst credit officers and management appears to be that longer loan terms make it easier for clients to service their debt which in turn increases the likelihood of timely loan repayment. In fact, the effect could be just the opposite as inappropriate loan terms often result in delinquency.

Loan Pricing

IPED does not set its Micro Window interest rates based on an assessment of its operational and financial costs (adjusted for loan loss reserves, subsidies and inflation). Unless these are accurately determined, it is impossible to say for sure whether or not its interest rate is high enough to cover its costs. (It could, in fact, be too high). This is a

---

[2] For 1999, the Micro Window's portfolio at risk > 30 days and > 90 days was 14.8% and 5.4% respectively; for 1997, it was 27.9% and 20.7% respectively.

[3] It should be noted that not only does loan prepayment reduce IPED's revenue – as clients do not pay interest on repaid loans – but it also makes it more difficult for IPED to manage its liquidity and project future revenues.

key point as IPED will not be able to set financial self-sufficiency targets without an accurate understanding of its costs.

Loan Approval Process

There are a number of aspects of IPED's loan approval process that stand out as needing improvement. Primary among these includes how credit officers process loan inquiries. The way that they are currently handled takes up an inordinate portion of credit officer time – up to five to ten hours per week per credit officer – and thus is extremely inefficient. Furthermore, loan approval is bottlenecked at head office, specifically at the general manager level. Currently, all branch and sub-office credit officers are required to spend one day per week traveling to head office to have their loans approved. This results in approximately one week's worth of lost productivity per month as credit officers sacrificing time that could be better spent in the field. Moreover, all branch loan disbursements are also processed by head office, as branches do not have check signing authority or the power to approve loans. Again, this slows down loan processing time considerably.

Delinquency Management

Credit officers do not have enough time for monitoring clients. Part of this is due to the fact that, as was mentioned previously, they spend too much time handling loan inquiries. Given their shortage of time, they spend most of their field time following up on delinquent clients. This leaves them little time to forge strong client relationships with non-delinquent clients, thereby increasing the likelihood that good clients could develop a delinquency problem.

Rescheduling & Refinancing Policies

There is no way of knowing for certain what percentages of IPED's loans have been rescheduled or refinanced as IPED does not separate out these loans and thus cannot keep track of them.

Management Information System

IPED's Management Information System (MIS) consists of its accounting system and portfolio system. In general, IPED appears satisfied with the performance of the ACCPAC accounting system. Even though it is over five years old, the system appears to be quite satisfactory in meeting the institution's present accounting needs as well as those for the foreseeable future. An issue does exist, however, with regard to how the system is being administered. There is only one person dedicated full-time to MIS and she spends most of her time doing data entry (five to six hours per day), which does not leave her enough time to deal with the more management related aspects of her job. These include ensuring that IPED's operations and management staff are receiving the information they need to do their jobs as well as making sure that the information systems are running properly.

With regard to the portfolio system, things are not running as well. While the Loan Management Control System (LMCS) is a big improvement over the manual system that it replaced around two years ago, it still needs to be modified to bring it up to its full potential as an operations and management tool. Most of LMCS's difficulties relate to its report generation capabilities. The system has never been able to properly print loan applications even though it was designed to do so. Moreover, formatting and printing reports is extremely difficult. With regard to the latter, staff cannot format reports in the manner that they want them. As for the latter, it takes a full day to generate basic MIS reports such as the portfolio aging report, the result being that they are not used as often as they should be. It should be noted that IPED has brought these problems to the attention of local consulting firm handling LMCS support, but for whatever reason, they have been unresponsive. This situation needs to be rectified without further delay.

Finally, IPED branches are all set up on LMCS in order to ensure that the entire portfolio system is kept up to date. Unfortunately, however, due to recurring technical difficulties, such as line-drops and lack of phone lines, head office has to enter all branch disbursement into LMCS as opposed to the branches themselves. This puts an additional strain on head office's already heavy data entry burden and further increases the likelihood that errors will occur. It also makes it more difficult to monitor client accounts.

Financial Management

The assessment focused on key aspects of IPED's financial management including its budgeting process, cash flow management, cash flow forecasting, delinquency management, exposure to inflation risk, and self-sufficiency management.

Budgeting Process

While revenues are projected for each branch, branches are not set up as individual cost centers which makes it difficult to determine the relative profitability of each branch.

Cash Flow Management

Currently, IPED forecasts its cash flow needs (weekly, monthly, quarterly, etc.) based on experience and input from the credit and branch managers. So far this system has served IPED well. However, as IPED gears up for growth, it will need to develop more sophisticated cash forecasting systems that utilize the portfolio system to furnish reports that indicate upcoming loan disbursement volumes. Furthermore, the LMCS does not project portfolio revenues – the other half of the cash flow forecasting coin – so IPED cannot anticipate how much cash it should be collecting and match it against upcoming disbursements to determine whether or not it might get caught in a liquidity crunch.

With regard to client savings, IPED does not have policies in place to ensure that there is enough cash in reserve to meet savings withdrawals by its clients. While IPED has not encountered any problems with regard to this issue, policies need to be established to ensure that client savings are properly safeguarded. This is especially true given the fact that IPED is not a regulated financial institution and therefore is not authorized to collect savings from the public.

Delinquency Management

IPED does not have formal provision and write-off policies per se. It is currently considering setting a general reserve requirement of 10% against loan losses. However, this figure is not based on a set of provision standards, such as those set by CGAP, nor is it linked to an analysis of IPED's aging report. This could result in IPED under-provisioning – which has been the case for the past three years – or over-provisioning, depending on the quality of its loan portfolio.

Inflation Rate Risk

Presently, loan prices are not adjusted to compensate for inflation. This is significant given the fact that inflation for 1999 was 8.6%.

Self-sufficiency Management

Presently, IPED does not track or monitor its operational and financial self-sufficiency and thus cannot set targets to improve its performance with regard to these areas.

Administration

The institutional assessment focused on several of IPED's key administrative aspects including its decision making structure, human resource management, and training.

Decision Making Structure

IPED has a highly centralized decision making structure that flows from the Board down the line to management and field operations staff and is replicated between head office and IPED's four branches and seven sub-offices. This structure may have worked when the Micro Window was processing only 264 loans per year, as it was in 1997, it is inappropriate for IPED's current volume of Micro loans which last year totaled 2,180. As volume continues to grow, loans will begin to get bottlenecked – if they are not already – at the General Manager level. The end result will be that productivity or portfolio quality will begin to suffer.

Given IPED's relatively recent delinquency problems, it is understandable that the Board and General Manager are concerned with ensuring credit portfolio quality and keeping a tight reign on operations. However, as IPED looks to the future it will need to take steps to streamline operations and push a good deal of decision making authority down the line to field operations staff as well as devolve responsibility to the branches. Naturally, this will require that field and branch personnel are capable and well trained. Moreover, MIS issues will have to be resolved so that senior management can utilize MIS reports as an effective management tool that will enable them to spot problems quickly as they arise.

Human Resource Management

The major issue with regard to human resource management pertains to incentive schemes. The effectiveness of the performance-based incentive system that IPED implemented last year for its credit officers has been highly limited due to the fact that it is very difficult for credit officers and management to calculate their bonuses. As a result, IPED only pays out bonuses biannually and credit officers do not understand why they received the bonus that they did. Thus, the incentive scheme's usefulness as a performance management tool is much less effective.

Training

All credit officers receive a two-week, in-house training program delivered by senior staff that covers things such as financial analysis, interviewing, client appraisals, etc. as well as provides an overview of how IPED works. However, as very few new credit officers have been hired within the past two to three years, this training has not been delivered recently. For two new credit officers that it hired recently for its Micro Window, IPED opted for on-the-job training, which apparently was not very structured.

Ongoing training is done on an ad hoc basis by various members of the board and staff. Also, IPED periodically sends staff overseas for training. However, there does not appear to be a mechanism in place to disseminate these findings in a systematic manner nor a means of systematically evaluating and incorporating new insights gleaned during these visits into IPED's methodology.

III. Key Recommendations

Credit Methodology

- Analyze whether loans are being properly structured.
- Train credit officers in cash flow analysis and setting appropriate credit terms.
- Review/amend credit procedures manual.

Pricing

- Calculate appropriate Micro Window interest rates based on the Micro Window's operational and financial costs (adjusted for loan loss reserves, subsidies and inflation).

- Fine-tune and disseminate IPED's loan classification system, which it recently developed but has yet to fully implement. The current system needs some adjustment in order to make it more effective. For instance, the number of loans required to qualify should be reduced and the criteria of the classification system made clearer and less lenient.

Savings

- Help IPED design savings schemes that do not violate the law. IPED is not a regulated financial institution and therefore is not legally allowed to mobilize savings. These schemes should be focused on establishing measurable, positive incentives to save such as establishing relationships with banks that would allow IPED clients to mobilize savings through regulated financial institutions where it would be legally safeguarded, and offering reduced interest rates to clients who repay their loans on time every time. IPED should also incorporate savings systematically and favorably into the loan approval/classification process mentioned above.

Loan Approval Process

Redesign IPED's loan approval process to make it more efficient and thorough. Specifically:

- *Inquiries:* The inquiry situation could be remedied in a number of ways including holding a regularly scheduled daily information session, which should not take more than one hour to complete or credit officers could be assigned specific hours where they are responsible for handling walk-in inquiries. Handling client inquiries more efficiently would enable credit officers to spend more time monitoring clients (see below) as well as free them up for a variety of other activities that tend to get neglected due to lack of time.

- *Applications:* As was discussed previously, credit officers need training in cash flow analysis in order to set appropriate loan terms. Once this is done, loan applications will need to be redesigned in order to reflect these changes.
- *Approval:* If IPED intends to scale-up its Micro Window lending activities, it will have to streamline its loan approval process, otherwise loans will become bottlenecked if they must all be approved by the general manager. A system needs to be developed that provides senior credit officers and branches with the authority to approve loans within certain loan ranges. Naturally, for such a system to work effectively, all credit officers must be thoroughly trained and procedures, policies, and responsibilities clearly defined. Moreover, moving toward a decentralized loan approval system – which can be monitored by management – will free up the general manager for the more important tasks of planning, new product development, etc. that will have to be tended to if IPED wishes to expand beyond its current level of operations.

- *Disbursements:* IPED will need to move toward giving its branches the authority to disburse loans. Again this can only occur if branch staff and managers are properly trained to ensure that credit methodology is being uniformly applied throughout the organization.

Delinquency Management

Fine-tune IPED's delinquency management process in order to maximize its effectiveness and to bring its portfolio at risk under 10%. Specifically:

- Credit officers need more time to visit all clients – not just delinquent ones – at least once per month. If IPED redesigns how it handles inquiries, credit officers will have more time to monitor clients.

- Repayment incentives need to be clearly and consistently articulated to clients at every step of the loan approval process – from inquiries to application to disbursement to monitoring. Materials should be developed and training delivered to credit officers and staff on how to communicate repayment incentives more effectively. Moreover, the loan classification system and automatic loan product should be finalized and actively marketed to clients as a repayment incentive.

- A formal policy should be established that sets a maximum late fee penalty for delinquent loans. All credit officers should consistently enforce this policy.

- Rescheduled loans need to be classified separately and tracked as a percentage of the overall loan portfolio.

- Finally, IPED needs to set delinquency targets that bring its portfolio at risk to the Best Practice target of below 10%. Portfolio at risk is a key indicator of the health of any MFI and needs to be monitored on an ongoing basis.

Management Information System

Accounting System

- IPED should follow through with assigning a full-time person to handle its data entry responsibilities. Strong MIS systems are the backbone of a well-functioning microfinance institution (MFI) and IPED needs someone specifically skilled and dedicated to managing IPED's growing MIS needs. As such, it should move forward and create an MIS manager position.

Portfolio System

Short-term

- IPED needs to establish a formal support contract with a local IT expert that clearly defines what services his company will provide, when they will provide them, and at what cost.

- LMCS needs to be modified so that:

  - Loan applications can be properly printed.
  - Loan payments can be automatically calculated.

- Loan application and cancellation fee receipts can be printed.
- Savings account information can be tracked by client.
- Aging report printing can be expedited, if possible.

- If IPED cannot resolve the line drop issue, it should institute a system where it backs up the LMCS on a regularly scheduled basis. Perhaps this means communicating via modem early in the morning or late at night when data transmission may not be so difficult, or instituting a back up system using diskettes and couriers.

- Refine IPED's current MIS system following the guidelines set forth in CGAP's Handbook for Management Information Systems, which provides a basic guidebook for the design, development and refinement of management information systems. The Handbook promotes commonly accepted definitions, recommends key ratios to monitor, and provides report formats for monitoring institutional performance.

Long-term

- IPED needs to seriously consider whether or not ACCPAC and LMCS will be able to meet its long-term MIS needs. In order to decide this, IPED needs to estimate through the business planning process how many clients it plans to acquire over the next five years. Then it must decide through consultations with an IT and a microfinance MIS specialist whether or not ACCPAC and LMCS will be able to meet its long-term MIS needs.

Financial Management

- Set branches up as cost centers so that their relative profitability can be measured and their financial performance more actively monitored and managed. Also, determine separate operating costs for Micro and Main Windows to accurately determine what their respective interest rates should be. (Currently, the Micro Window rate could be too high and the Main Window rate too low to attain financial self-sufficiency.)

- Establish a loan pricing policy that sets interest rates based upon operating costs, loan losses, financial costs, and a profit target sufficient to maintain projected growth.

- With regard to delinquency management, delinquency and default need to be monitored more closely by finance – on a weekly basis. IPED should adopt CGAP's provisioning standards (see financial analysis) and ensure that provisions are being made in accordance with them throughout the year on a regular and frequent basis. It should also formalize the write-off policy that it is considering and make sure that it is implemented in tandem with its provisioning policy.

- With regard to achieving operational and financial self-sufficiency, IPED should start tracking key ratios (such as those listed in the *Performance Indicator* section of the *Financial Analysis*) of operational efficiency, productivity, and self-sufficiency on a regularly (weekly/monthly) basis. These ratios should guide the decision-making of the board and senior management. Targets for achieving full self-sufficiency should be established and progress against them measured.

- Directly related to the above, IPED should start moving away from its dependence on concessional funding of its loan portfolio. While it may not seem logical for IPED to access market rate funding when it can meet its portfolio needs with subsidized funding, it needs to start planning for the day when these funds will no longer be available. It needs to develop a plan to achieve true financial self-sufficiency that sets clear targets for when IPED will be able to replace a significant portion of its subsidized loans (ultimately it should be able to replace them all) with market funding. Developing and sticking to such a plan will help IPED to develop the financial discipline necessary to ensure its long-term institutional viability as well as help prepare it to make the transition from an NGO to a financially regulated institution should it choose to do so.

- IPED's Board, senior management team, and operations staff need to develop a comprehensive set of reports in order to guide them in their day to day operations and longer-term decision-making process. These key reports include:

    - Actual payments against expected payments – for field staff.
    - Client status report – for field staff and head office.
    - Bad debts report – for field staff and head office.
    - Aging of arrears – for field staff and head office.
    - Aging of portfolio – for head office.
    - Performance indicators report – for head office and board of directors.

Administration

Decision Making Structure

- IPED needs to move toward a decentralized decision-making structure. This must begin at the top, with the Board letting go of its responsibility of reviewing all loans over G$120,000. It should only review the truly large loans in IPED's portfolio – perhaps all loans over G$2,500,000 – and let the vast majority of its loans be handled by IPED management and operations staff.

- IPED needs to allow the vast majority of its credit decisions to take place within the credit department in order to maximize operational efficiency. Loan approval guidelines need to be established that clearly define who (loan officer, sr. loan officer, Micro Window Credit Supervisor, Credit Manager, General Manager, Board) has responsibility for approving which size loans. For instance, a credit committee consisting of the responsible loan officer and a senior loan officer could approve all loans under G$50,000. A credit committee consisting of the responsible loan officer and Micro Window credit supervisor could approve all loans under G$100,000, and so on. Efficiency of operations must be balanced with risk when developing these guidelines, but the principle behind it is to streamline operations in such a manner that will allow IPED to significantly scale-up its lending operations so as to attain true financial self-sufficiency. These guidelines must be adopted by the branches as well.

- For the above to work, IPED will need to invest significantly in training its staff and developing standardized procedures manuals to ensure that everyone is operating under the same assumptions. (These issues are examined in more detail the full report.) Over time, head office has to shift its role away from operations and move toward more of a goal-setting and performance monitoring function.

Human Resource Management

- IPED needs to modify its current incentive scheme so that the way bonuses are calculated are as transparent and easy to understand as possible. Bonuses should also be issued on a monthly basis. Every credit officer should be able to calculate what their monthly bonus will be based upon an easy to apply formula that takes into consideration portfolio quality as well as volume. Taking these steps will ensure that a good idea is transformed it into an effective performance management tool.

Training

IPED should create a training manager position responsible for staff training and development. The manager would be responsible for developing a standardized training program that would include new credit officer training as well as on-going training to ensure that credit skills are kept sharp and that methodology is applied in a consistent manner.

IV. Technical Assistance and Training Plan

Four training and technical assistance modules are recommended in the following pages to further strengthen IPED and enhance its ability to provide effective, sustainable financial services. The modules cover: credit methodology, financial management, the management information system, and administration. The modules are indicated in order of priority and in the recommended order of implementation, that is Module 1 (Credit Methodology) followed by Module 2, etc. Although it is not possible *a priori* to estimate the exact amount of time required to implement each module, estimates for the time necessary are indicated below.

Module 1 – Credit Methodology	8 weeks
Module 2 – Financial Management	4 weeks
Module 3 – MIS (short term)	1 week
(Note: this does not include the time of the IT Specialist to implement the recommended changes)	
MIS (long term)	1 week
Module 4 – Administration	4 weeks

The main focus is on technical assistance to assist IPED to estimate costs/prices, etc. and to develop and refine procedures. IPED Staff who would be involved are indicated for each Module activity. The major training component is in Module 1 to train credit officers in cash flow analysis, setting credit terms, and in implementing new procedures and policies.

Technical Assistance/Training Module 1: Credit Methodology

	Activity	Staff Involvement
Terms	Analyze whether or not loans are being properly structured.	Credit manager Micro-credit supervisor
Pricing	Develop standard methodologies for calculating appropriate Micro Window interest rates based on the Micro Window's operational and financial costs (adjusted for loan loss reserves, subsidies, inflation, necessary profit, & insurance costs).	Accountant General Manager
Loan approval process	Redesign IPED's loan approval process to make it more efficient and thorough with regard to inquiry process, application forms, loan classification system, decision making/ loan approval structure (head office and branches), and disbursements.	General Manager Credit Manager Micro-credit Supervisor
Delinquency management	Fine tune delinquency management process in order to maximize its effectiveness and to bring its portfolio at risk under 10%. Specifically: • Clearly define/articulate repayment incentives (e.g. loan classification system, automatic loan product). • Establish maximum late fee penalty. • Establish system to separately classify rescheduled loans and track as a percentage of the overall loan portfolio. • Establish delinquency targets.	Credit manager Micro-credit supervisor
Savings	Develop legal savings mobilization schemes that focus on creating positive incentives for borrowers to save.	General Manager Credit Manager
Training	• Train credit officers in cash flow analysis and setting appropriate credit terms for borrowers. (Two to three workshops, three days each; ten days to prepare workshop). • Train credit officers in new policies and procedures developed above.	Training officers Credit Manager Micro-credit Supervisor

Technical Assistance/Training Module 2: Financial Management

	Activity	Staff Involvement
Financial Management:	• Set branches up as cost centers. • Determine costs and revenues for each branch. • Determine separate operational costs for Main and Micro Windows and adjust interest rates if necessary in order to achieve self-sufficiency targets. • Establish delinquency management guidelines including: - Implementing CGAP provisioning guidelines. - Formalizing write-off policy in conjunction with provisioning policy. • Establish performance management guidelines to guide decision making of board and management including the use of performance indicator ratios (e.g. portfolio quality ratios, productivity and efficiency ratios, financial viability rations, profitability ratios.) • Establish self-sufficiency targets including plan for replacing subsidized loans with market funding.	General Manager Accountant
	• Develop comprehensive set of reports to guide field staff, senior management and board in day to day management and long-term decision making process including: - Actual payments against expected payments – for field staff - Client status report – for field staff and head office. - Bad debts report – for field staff and head office	General Manager Accountant Credit Manager MIS Manager

	- Aging of arrears – for field staff and head office - Aging of portfolio – for head office. - Performance indicators report – for head office and board of directors.	General Manager Accountant Credit Manager MIS Manager

Technical Assistance/Training Module 3: Management Information System

	Activity	Staff Involvement
MIS (short term)	• Establish formal support contract with local IT expert that clearly defines what services firm will provide, when it will provide them, and at what cost. • Ensure that LMCS is modified so that: - Loan applications can be properly printed. - Loan payments can be automatically calculated. - Loan application and cancellation fee receipts can be printed. - Savings account information can be tracked by client. - Aging report printing can be expedited, if possible. • Formalize LMCS backup procedures. • Refine current MIS system following the guidelines set forth in CGAP's Handbook for Management Information Systems, which provides a basic guidebook for the design, development and refinement of management information systems.	MIS Manager General Manager MIS Manager MIS Manager MIS Manager
MIS (long term)	• Evaluate long-term capacity of current MIS using microfinance MIS specialist • If necessary, initiate plan to adopt new MIS.	General Manager Credit Manager Accountant Micro Credit Super. MIS Manager

Technical Assistance/Training Module 4: Administration

	Activity	Staff Involvement
Human Resource Management	• Update all job descriptions including (credit officers, administrative, & management). • Establish formal employee evaluation guidelines & procedures. • Modify incentive scheme for credit officers. (Make sure that it is integrated into MIS). • Train staff in new procedures. • Develop procedures manual (based on above changes) for credit methodology, financial management, MIS, administration, training.	Administration General Manager Credit Manager Micro Credit Supervisor Accountant